

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Proposed Policies and Programs
Governing Low-Income Assistance Programs.

Rulemaking 01-08-027
(Filed August 23, 2001)

In the Matter of the Application of Southwest Gas
Corporation for Authority to Change Natural Gas
Rates in San Bernardino, Placer, El Dorado, and
Nevada Counties, California (U 905- G).

Application 02-02-012
(February 13, 2002)

**JOINT ASSIGNED COMMISSIONERS' RULING
REGARDING THE REVIEW OF POST-2002 LOW-INCOME
ASSISTANCE PROGRAMS FOR SOUTHWEST GAS AND
OTHER SMALL AND MULTI-JURISDICTIONAL UTILITIES**

The purpose of this ruling is to initiate the Commission's evaluation of post-2002 low-income assistance programs offered by the small and multi-jurisdictional electric and gas utilities under the Commission's jurisdiction. These are: Alpine Natural Gas Company (Alpine), Avista Utilities (Avista), Bear Valley Electric Company (Bear Valley), Mountain Utilities, Sierra Pacific Power Company (Sierra Pacific), PacifiCorp, Southwest Gas Company (Southwest Gas) and West Coast Gas Company (West Coast Gas). We refer to these small and multi-jurisdictional utilities collectively in this ruling as "the SMJU."

Low-income assistance programs consist of the California Alternate Rates For Energy (CARE) program, which provides rate discounts, and the Low-Income Energy Efficiency (LIEE) program, which provides direct weatherization and energy efficiency services to low-income homes. By Decision (D.) 01-08-065,

the Commission supplemented funding for the SMJU low-income assistance programs in order to expand outreach to and participation by their low-income customers during the energy crisis. This was accomplished without raising customer rates because Senate Bill (SB) X1 5 appropriated one-time funding to augment utility budgets for these programs.¹ In D.01-08-065, we allocated approximately \$6.5 million of SBX1 5 appropriations among the following SMJU's: Avista, PacifiCorp, Sierra Pacific, Bear Valley, Southwest Gas, and West Coast Gas. In addition, the Commission set aside \$105,000 of SBX1 5 appropriations while Energy Division staff worked further with Alpine, Mountain Utilities and West Coast Gas to consider expanding low-income assistance activities within their small California service territories. The utilities receiving SBX1 5 funding allocations under D.01-08-065 were specifically directed to use these funds to augment program activities over two program years, i.e., program years 2001 and 2002.

We believe that the evaluation of low-income assistance programs for the SMJU beyond 2002 should continue to take place in a forum that consolidates the policy and programmatic issues related to these programs. To this end, we direct Southwest Gas to withdraw its proposal for funding low-income assistance programs from its rate case application (A.02-02-012). Instead, Southwest Gas, along with Avista, Bear Valley, PacifiCorp and Sierra Pacific should submit their proposals regarding 2003 program year plans and budgets in separate applications by July 1, 2002, with service on all appearances and the state service list in R.01-08-027. Per the requirements of Senate Bill No. 2 from the Second

¹ SBX1 5 was passed by the Legislature on April 5, 2001 during the First Extraordinary Session (Stats. 2000, ch. 7) and signed by the Governor on April 11, 2001.

Extraordinary Session (referred to as SBX2 2), the utilities should propose CARE penetration goals as part of their program plans.² These applications will be consolidated into a single rate setting proceeding for the Commission's consideration.

In their applications, Southwest Gas, Avista, Bear Valley, PacifiCorp and Sierra Pacific ("the utilities") may include proposals for multi-year funding authorizations, i.e., beyond program year 2003, as appropriate. The utilities should describe their proposed ratemaking treatment for the requested funding levels, and present estimated rate impacts associated with the approval of their proposed low-income assistance programs.³ In addition, the utilities should provide tables showing authorized funding and actual expenditures on CARE and LIEE, including projections of expenditures through 2002 and any unexpended, carryover funds. The applications should include the data required under Rule 23 for Rate Increase Applications and the notice requirements of Rule 24, as appropriate.

By this ruling, we are shortening the time for filing responses to the utilities' applications pursuant to Rule 44.1 in order to ensure that there is sufficient time to hold public workshops, prepare a workshop report (see below), hold evidentiary hearings (if required), and prepare a draft decision for the Commission's consideration by the end of 2002. Protests or responses to the utilities' applications will be due by July 25, 2002.

² The new and amended Public Utility Code Sections pursuant to SBX1 2 are attached to my November 20, 2001 ruling in this proceeding. See in particular, Section 739.1.

³ In developing their ratemaking proposals for CARE administrative costs, the utilities should discuss how their proposals comply with Public Utilities Code Section 739.1(b).

Energy Division is directed to hold workshops on the utilities' applications and parties' responses to the applications, so that a final workshop report can be submitted to the Commission by September 5, 2002. The report should include Energy Division's recommendations on program funding levels and authorized low-income assistance activities. Comments on the workshop report will be due by September 25, 2002. Should evidentiary hearings be required, they will be scheduled to take place after the submittal of Energy Division's workshop report.

The Commission is still considering Energy Division's recommendations and parties' comments regarding the expansion of low-income assistance programs for Alpine, Mountain Utilities and West Coast Gas. Therefore, we will await the Commission's determinations before establishing a post-2002 program planning process or schedule for these three utilities.

IT IS RULED that:

1. Southwest Gas Company (Southwest Gas) shall withdraw its proposal for funding low-income assistance programs from its rate case application (A.02-02-012), without delay.
2. As described in this ruling, Southwest Gas, Avista Utilities, Bear Valley Electric Company, PacifiCorp, and Sierra Pacific Power Company ("the utilities") shall submit their proposals regarding 2003 program year plans and budgets in separate applications by July 1, 2002, with service on all appearances and the state service list in Rulemaking (R.) 01-08-027.
3. The applications directed by this ruling shall be consolidated into a single rate setting proceeding for Commission's consideration.
4. As described in this ruling, Energy Division shall hold workshops on the utilities' applications and responses to the applications so that a final workshop

report can be submitted to the Commission by September 5, 2002. Comments on the workshop report are due by September 25, 2002.

5. All filings and comments directed by this ruling shall be filed at the Commission's Docket Office and served electronically on all appearances and the state service list in R.01-08-027. Service by U.S. mail is optional, except that a hard copy shall be mailed to Judge Meg Gottstein. In addition, if there is no electronic mail address available, the electronic mail is returned to the sender, or the recipient informs the sender of an inability to open the document, the sender shall immediately arrange for alternate service (regular U.S. mail shall be the default, unless another means—such as overnight delivery—is mutually agreed upon). Parties that prefer a hard copy or electronic file in original format in order to prepare analysis and filings in this proceeding may request service in that form as well. The current service list for this proceeding is available on the Commission's web page, www.cpuc.ca.gov.

Dated April 19, 2002, at San Francisco, California.

/s/ CARL WOOD
Carl Wood
Assigned Commissioner

/s/ MICHAEL PEEVEY
Michael Peevey
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Joint Assigned Commissioners' Ruling Regarding the Review of Post-2002 Low-Income Assistance Programs for Southwest Gas and Other Small and Multi-Jurisdictional Utilities on all parties of record in these proceeding or their attorneys of record.

Dated April 19, 2002, at San Francisco, California.

/s/ ERLINDA PULMANO

Erlinda Pulmano

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074,

R.01-08-027, A.02-02-012 CXW/MP1/eap

TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.